

**NINGBO YIDONG ELECTRONIC COMPANY LTD:  
THIS COMPANY PROVIDES EMPLOYMENT FOR RESIDENTS OF YUYAO**

All things considered, Ningbo Yidong Electronic Company Ltd is not much to write home to mom, but, nevertheless, it had a grand reception as a successful candidate of the speculative marketplace of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), known as The Growth Enterprise Market (GEM) of The Stock Exchange of Hongkong Ltd.

Effectively, this Company (Code: 8249) has only a handful of customers and, taking into account its history, even by PRC standards, it, really, has not done very well.

Ningbo Yidong sought and obtained a listing on The GEM on October 30, 2003, when it Offered 130 million, 0.10 renminbi Shares at a Price of between 45 cents (Hongkong) per Share and 60 cents (Hongkong) per Share.

Of the total number of shares on Offer, 117 million Shares were Placed and 13 million Shares were that part of the Public Offer.

When the application forms for the shares of Offer came in, it was decided that the Offer Price would be 50 cents per Share.

Since then, the share price has crept up to 67 cents.

The number of Placing Shares had been 3.30 times oversubscribed, but 25 applications had been received for about 97.20 percent of the total number of Shares on Offer.

This means that there is a very tight rein on the number of shares, floating around the HKSAR, at this time.

And that is the reason that, today, the price of the shares is about 67 cents, each: Very few buyers, chasing even fewer sellers.

For a company, manufacturing electrical control systems for washing machines, air-conditioners, etc, with only 5 real customers, it is amazing that so many people were chasing such a limited number of shares.

After all, this is not the only game in town, is it?

The official reasons for this cash-raising exercise are stated at Page 89 of the Prospectus as follows:

1. \$HK27 million to be used for expansion of production capacity;
2. \$HK14 million to be used for research and development;
3. \$HK5 million for sales and marketing; and,
4. \$HK1 million to be used for enhancement of management systems and training employees.

Not a penny of the money, raised in this flotation, was earmarked for ... [CLICK TO ORDER FULL ARTICLE](#)

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